Appln. No.: 10/526,717

Amendment Dated **February 26, 2007**Reply to Office Action of **December 12, 2006**

Remarks/Arguments:

Claim Objections

Claim 22 is objected to as including the term "wherein" rather than "comprises or includes". Applicants respectfully submit that claim 22 as amended addresses the Examiner's concern.

Claim Rejections - 35 U.S.C. §112

Claim 40 stands rejected under 35 U.S.C. §112 , second paragraph on grounds that there is insufficient antecedent basis for the limitation, "the change of the physical parameter". Applicants respectfully submit that claim 40 as amended addresses the Examiner's concern.

Claim rejections - 35 U.S.C. §§102 and 103

Claims 22-26 and 40 stand rejected under 35 U.S.C. 102(b) as anticipated by U.S. Pat. No. 6,218,947 (Sutherland). Claims 41-42 stand rejected under 35 U.S.C. §103(a) as unpatentable over Sutherland. Applicants respectfully traverse these rejections.

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." M.P.E.P. §2131 *citing Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).

"To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations." M.P.E.P. §2143.

Independent claim 22 recites a "[s]teering handle for motor vehicles comprising: a core; a secondary metal about the core; a dielectric material between said core and said secondary metal such that a capacitor is defined thereby; and means for monitoring a capacitance of the capacitor and determining a contact between at least one hand of the driver and the steering handle based on the monitored capacitance."

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Sutherland does not teach or suggest that the core of the steering handle may be used as one of the conductors. In contrast, Sutherland teaches the use of two separate plates, a front plate 20 and a rear plate 22, and explains that the plates "may be imbedded and sealed within the steering wheel rim 14 itself and **insulated from the conventional steel core thereof** which must also be grounded." Sutherland at col. 4, Ins. 20-23 (emphasis added). Sutherland fails to teach or suggest each limitation of the claimed invention, but instead specifically teaches away from the claimed invention. It is respectfully submitted that claim 22 is in condition for allowance.

Claims 24, 26 and 40-43 each depend from independent claim 22, and therefore, are allowable for at least the reasons set forth above.

It is respectfully submitted that each of the pending claims is in condition for allowance. Early reconsideration and allowance of each of the pending claims are respectfully requested.

If the Examiner believes an interview, either personal or telephonic, will advance the prosecution of this matter, the Examiner is invited to contact the undersigned to arrange the same.

Respectfully submitted,

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Dated: February 26, 2007

The Director is hereby authorized to charge or credit Deposit Account No. 18-0350 for any additional fees, or any underpayment or credit for overpayment in connection herewith.

I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail, with sufficient postage, in an envelope addressed to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on: February 26, 2007